

AMENDED IN ASSEMBLY APRIL 29, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1231**

**Introduced by Assembly Member Simitian**

February 21, 2003

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An act to amend Section 1281.85 of the Code of Civil Procedure, relating to arbitration.

LEGISLATIVE COUNSEL'S DIGEST

AB 1231, as amended, Simitian. Arbitration agreements.

Existing law requires a person serving as a neutral arbitrator pursuant to an arbitration agreement to comply with specified ethics standards for arbitrators adopted by the Judicial Council. Existing law also requires a neutral arbitrator to disclose all matters that could cause a person to doubt the arbitrator's ability to be impartial in arbitration.

This bill would create an exemption from those provisions for *a real estate licensee licensee assisting in a dispute resolution programs solely for real estate licensees administered by nonprofit a trade associations association or multiple listing services service*, as defined, *for disputes between members and not consumer disputes*.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 1281.85 of the Code of Civil Procedure
- 2 is amended to read:

1 1281.85. (a) Beginning July 1, 2002, a person serving as a  
2 neutral arbitrator pursuant to an arbitration agreement shall  
3 comply with the ethics standards for arbitrators adopted by the  
4 Judicial Council pursuant to this section. The Judicial Council  
5 shall adopt ethical standards for all neutral arbitrators effective  
6 July 1, 2002. These standards shall be consistent with the standards  
7 established for arbitrators in the judicial arbitration program and  
8 may expand but may not limit the disclosure and disqualification  
9 requirements established by this chapter. The standards shall  
10 address the disclosure of interests, relationships, or affiliations that  
11 may constitute conflicts of interest, including prior service as an  
12 arbitrator or other dispute resolution neutral entity,  
13 disqualifications, acceptance of gifts, and establishment of future  
14 professional relationships.

15 (b) For purposes of this section and Section 1281.9, “neutral  
16 arbitrator” does not include a real estate licensee assisting in a  
17 ~~dispute resolution program that is administered by a nonprofit~~  
18 ~~trade association, or multiple listing service, as defined in Section~~  
19 ~~1087 of the Civil Code, for disputes between its members.~~ *dispute*  
20 *resolution program solely for real estate licensees, that is*  
21 *administered by a real estate trade association or multiple listing*  
22 *service as defined in Section 1087 of the Civil Code, for disputes*  
23 *between their members. A dispute resolution program described in*  
24 *this paragraph may not administer or resolve consumer disputes.*

25 (c) Subdivision (a) does not apply to an arbitration conducted  
26 pursuant to the terms of a public or private sector collective  
27 bargaining agreement.

